
City of Reading City Council

Special Meeting

Tuesday, November 27, 2007

Penn Room

Vaughn D. Spencer, President of Council, called the special meeting to order at 5:08 pm.

ATTENDANCE

Council President Spencer
Councilor Fuhs, District 1
Councilor Goodman-Hinnershitz, District 2
Councilor Sterner, District 3
Councilor Marmarou, District 4
Councilor Baez, District 5
Councilor Waltman, District 6

Managing Director L. Churchill
City Solicitor C. Younger
Finance Director R. Hottenstein
City Auditor D. Cituk
City Clerk L Kelleher

PUBLIC COMMENT

Council President Spencer opened the floor for public comment. He noted that no one was registered to address Council and invited those present to provide input on the Ordinances under Council's consideration this evening. No one came forward to issue a statement.

APPROVAL OF AGENDA AND MINUTES

Council President Spencer called Council's attention to the agenda for this meeting. He noted that there are four ordinances for Council's consideration; three pertaining to the 2008 budget and one setting the salary of the Human Resources Director.

Councilor Goodman-Hinnershitz moved, seconded by Councilor Sterner, to approve the agenda for this meeting. The motion was approved unanimously.

ORDINANCES FOR FINAL PASSAGE

Bill No. 79 -2007 - setting the salary of the Director of Human Resources at \$80,000.00. **(Managing Director)**

Councilor Marmarou moved, seconded by Councilor Baez, to enact Bill 79-2007.

Managing Director Churchill explained the background of Christine Wheelen recently hired to fill the Human Resources Director position and the selection process used.

Councilor Goodman-Hinnershitz noted Ms. Wheelen's agreement to comply with the Charter's residency requirement and live within the City's limits.

Bill 79-2007 was enacted by the following vote:

Yea: Baez, Fuhs, Goodman-Hinnershitz, Marmarou, Sterner, Waltman, Spencer President – 7.

Nay: None – 0.

Bill No. 80-2007 - Establishing the General Fund Budget for the City of Reading including revenues and expenses for the fiscal year beginning January, 1 2008 and ending December 31, 2008

Two Amendments for Consideration:

Administration Amendment -increasing certain revenue estimates and decreasing expenditures as detailed in the attached explanation.

Auditor Amendment- Increasing certain revenue estimates and decreasing expenditures as detailed in the attached explanation.

Councilor Goodman-Hinnershitz moved, seconded by Councilor Baez, to enact Bill 80-2007 the 2008 General Fund Budget as amended by the Administration.

Councilor Goodman-Hinnershitz noted the hard work of the Administration and City Council to refine the budget originally presented on November 1, 2007. She noted the compromise on specific expenditure reductions and increases in revenue line items.

Councilor Waltman noted Council's ongoing work to control spending over the past years to get the most from each tax dollar. He expressed concern about the ongoing and growing structural deficit. He expressed the belief that from a cooperative standpoint, Council's adoption of the budget as presented by the Administration is good; however, that approach may not yield the most efficient use of the City's tax dollars.

Councilor Fuhs thanked the Administration for working to prepare and present the 2008 budget. He agreed with the concerns expressed by Councilor Waltman about the growing deficit. However, he noted that this deficit cannot be corrected through tax increases. He also noted additional difficulties created by the Department of Justice's consent decree for the waste water treatment plant at an expected cost of \$250 million. He stated that Council and the Administration need to examine the five year financial plan to address the City's long term issues.

Councilor Marmarou stated that Council has had a total of only 15 working days to review this budget. He noted the difficulties the tight timeline creates. He explained that this problem should be alleviated due to the Charter amendment approved by City voters in November which will require the Administration to present the annual budget to Council on October 1 rather than November 1.

Councilor Goodman-Hinnershitz expressed the belief that there are similarly sized cities facing the same road blocks. She noted the budget committee's work to review departmental budgets. She suggested improved inter-governmental cooperation noting the success the City has had working with the Parking Authority. She noted the need for the County to be more cooperative in covering the costs associated with personnel at the Reading Public Libraries. When the County approved the agreement in 1999-2000 the County agreed to a minimum contribution of \$900,000 for personnel purposes. She noted that personnel costs have gone up quite a bit in the last eight years and the County needs to step up to cover that gap.

Councilor Sterner agreed with the need for regional assistance. He also noted the need for the City Administration and Council to find ways to increase the City's tax base and revenue areas. He also noted the need for Council and the Administration to begin working on the annual budget much earlier in the calendar year.

Council President Spencer stated that he will not support the 2008 budget due to the forward bond sale issue which is proposed to cover the \$5 million gap. He expressed the belief that further reductions can be made to close this gap. He stated that, although the budget does not include any tax increases, the homeowner will pay an increased sewer rate to cover the \$5 million bond payments.

Council President Spencer stressed the need for Council to receive monthly finance reports. He also noted the need for the Administration to be more forthcoming on new initiatives and positions.

Managing Director Churchill reminded all of the preparation of a five year forecast over the past two years. He stated that this five year forecast was reviewed at the budget summit. He explained that the budget presented represents input from City Council and the Mayor who desire no tax increases and no service reductions. He promised that he will always work with Council to arrive at a place where all can live comfortably.

Councilor Sterner thanked Mr. Churchill for his work to present viable budget options.

Councilor Waltman stated that next year begins tonight and suggested that the Administration and Council begin working on budgetary issues to prevent the additional snowball effect on the deficit. He stated that he would prefer to make slight reductions throughout the budget year rather than wait until the last minute.

Council President Spencer thanked the Managing Director for his work and broad shouldered approach used to reach compromise between the Mayor and City Council. He expressed the belief that although the Administration paints a photo of financial recovery, that is not the true story. He stressed the need for the Mayor and Council to set budgetary goals early and then evaluate the operations and necessity versus their costs throughout the year.

Councilor Goodman-Hinnershitz agreed with the need to balance projects against projected revenues.

Bill 80-2007 was enacted by the following vote:

Yea: Baez, Fuhs, Goodman-Hinnershitz, Marmarou, Sterner – 5.

Nay: Waltman, Spencer President – 2.

Bill No. 81-2007 - Establishing the Full-Time Employee positions for the City of Reading for the fiscal year 2008.

Councilor Fuhs moved, seconded by Councilor Goodman-Hinnershitz, to enact Bill 81-1007 consistent with the budget amendments previously adopted.

Bill 81-2007 was enacted by the following vote:

Yea: Baez, Fuhs, Goodman-Hinnershitz, Marmarou, Sterner – 5.

Nay: Waltman, Spencer President – 2.

Bill No. 82-2007 - Levying the real estate taxes for the fiscal year beginning the first day of January, 2008 and ending the thirty-first day of December, 2008.

Councilor Fuhs moved, seconded by Councilor Goodman-Hinnershitz, to enact Bill 82-2007.

Bill 82-2007 was enacted by the following vote:

Yea: Baez, Fuhs, Goodman-Hinnershitz, Marmarou, Sterner, Waltman, Spencer President – 7.

Nay: None – 0.

COUNCIL COMMENT

Council President Spencer reminded all of the upcoming Council meeting schedule.

Councilor Fuhs moved, seconded by Councilor Marmarou, to adjourn the regular meeting of Council.

Linda Kelleher
City Clerk

